



January 16, 2009

The Honorable Robert Menendez  
United States Senate  
317 Hart Senate Office Building  
Washington, DC 20510

**Judson C. Linville**  
President and CEO  
Consumer Services

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Dear Senator Menendez:

I am writing in response to your letter regarding American Express' plans for implementing the new credit card regulations that were recently adopted by the Federal Reserve Board. I appreciate your outreach to us on this matter, and we have been in contact with your staff to provide a briefing on our implementation efforts and to address the concerns raised in your letter.

American Express is fully committed to complying with the new regulations and we have already begun the implementation process. As you know, the Federal Reserve's new rules represent the most sweeping changes that the credit card industry has seen in a generation. Compliance with the new rules is an enormously complex undertaking that will take us some time to fully implement. Because the new requirements are so tightly interrelated, it would be difficult to implement some of the rules in isolation of the others. The Federal Reserve acknowledged that a substantial implementation period would be necessary given the totality of the changes required under the new rules. We look forward to continuing to work closely with you and your staff on this important issue.

American Express supports the efforts by the Federal Reserve and other regulators to address concerns about credit card industry practices. We strive to ensure that our practices are fair and transparent to consumers, and we do not engage in many of the practices that have caused concern in the marketplace. For example, we do not engage in universal default or double-cycle billing, we do not charge consumers a fee to pay their bill, and we do not actively market our cards to students.

We are also mindful that many customers are experiencing financial difficulties in the current environment. We are committed to working with Cardmembers facing financial hardships to find solutions for their particular situation, through various customer assistance plans and consumer debt management programs. As part of these programs, we reduce interest rates, waive fees, and arrange flexible payment plans to help customers in need. American Express continues to evolve our programs and increase the range of solutions we offer to allow for greater flexibility and access for our Cardmembers.

Thank you again for your letter. I hope this information is helpful. If you have any questions, or would like additional information, please let me know.

Sincerely,

A handwritten signature in dark ink, appearing to read "J. C. Linville", written in a cursive style.